

2003 Advisory Actions

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Issue Number 05: Information from the State Allocation Board meeting held on May 28, 2003

Helping to Build California

from the desk of the executive officer



We—your district, its representatives and the State agencies—are doing a great deal more than modernizing and rebuilding our older, outdated school buildings. We are accomplishing much more than providing safe, comfortable and secure educational atmospheres with the new schools that are being built. We are preparing the future for our children. *We are helping to Build California.*

I would like to share with you a summary of our accomplishments. Below you will find a comparison of the 1998 State Bond Proposition 1A, a great triumph in its own right, to the success of Proposition 47 thus far; just six months from the November 5th 2002 election in which the State's voters passed the largest State bond in the Nation's history.

Proposition 1A

November 1998 – November 2002

Proposition 47

November 2002 – May 2003

New Construction

Allocations	\$ 3,556,122,759	\$ 3,853,874,439
Number of Pupils Housed	337,712	306,997
Number of Projects	769	767
Funds Released	\$ 2,330,315,319	\$ 2,787,956,354

Modernization

Allocations	\$ 2,631,978,944	\$ 2,893,956,058
Number of Pupils Housed	919,326	889,227
Number of Projects	1,667	1,784
Funds Released	\$ 2,350,066,308	\$ 1,253,309,618

Continue on next page

OPSC Reminders...

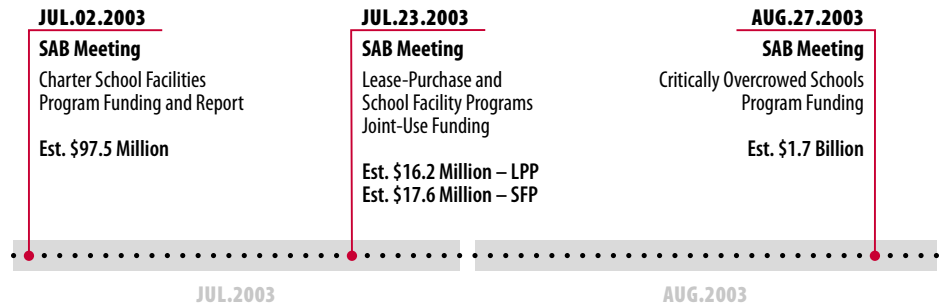
- ▶ **State Allocation Board Meetings***
Wednesday, July 2, 2003
Wednesday, July 23, 2003
Wednesday, August 27, 2003
- ▶ **Implementation Committee Meetings***
Wednesday, July 9, 2003
Friday, August 1, 2003
Friday, September 5, 2003
- ▶ **Regional Occupational Center Facilities Report, SAB Form 406R**
Due triennially (September 1, 2003) districts must report on the facilities utilized for the operation of a regional occupational center or program per Education Code Section 17285(d).
- ▶ **SFP Joint Use Funding Cycle**
The filing dates for the SFP Joint Use Program are June 1, 2003 through May 31, 2004 to be apportioned July 2004 or July 2005.
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts which have earned interest from the Leroy F. Greene Lease-Purchase Fund.

* Meeting dates, times and locations are subject to change. For the latest meeting information, check the OPSC Web site at www.opsc.dgs.ca.gov.

from the desk of the executive officer...

What's Next for the Proposition 47 Apportionments?

After reviewing these accomplishments, one might ask, "What's next for the Prop 47 apportionments?" I answer that question with a full list of events for which the staff has been preparing. In addition to the estimated \$300 million in apportionments that the State Allocation Board makes each month for the School Facility Program, the timeline below reflects an overview of what we have planned next for Proposition 47 accomplishments.



Beyond these events, funding opportunities remain for new construction, modernization and energy projects. After accounting for the applications that we have received and are currently working, \$2 billion remain for new construction projects, \$131 million for modernization, and over \$19 million for energy projects. For further details, I invite you to view the Status of Funds on the back page of this issue and our OPSC Web site for the current workload lists at www.opsc.dgs.ca.gov.

We encourage districts to keep those SFP funding applications coming. With so many conflicting priorities associated with running a school district, at one time or another, it is likely that you have said, "Now comes the difficult part; tackling the job itself." Well, we can help you do just that. To aid you in this endeavor, please pick up the phone and contact your OPSC Project Manager for assistance with a variety of services; anything from getting started and the basics to the complicated unique program questions.

You have my commitment that we will continue to provide support to assure that you obtain funding to build the much needed facilities. It is with sincere appreciation for everyone's hard work that I say... *Congratulations with helping to build California.*

Luisa M. Park, Executive Officer

Alert!!

SAB Meeting Is Now On July 2, 2003

It was necessary to change the date of the State Allocation Board meeting previously scheduled for June 25, 2003. As a result, please note the following:

- ▶ The "June" SAB will now occur on July 2, 2003.
- ▶ The SAB Implementation Committee meeting date was moved forward to July 9, 2003.

- ▶ The July 23, 2003 SAB meeting is still scheduled to occur as usual.

You may refer any questions that you have to your OPSC Project Manager.

60 Percent Commensurate Issues at Audit

By Noé Valadez, OPSC Audit Supervisor

The OPSC Audit Unit is noticing a pattern that SFP projects are not meeting the 60 percent commensurate requirement. You may be asking yourselves what this requirement is, and what exactly was the certification made by the project architect. The project architect certifies on the Form SAB 50-04, *Application for Funding*, that the construction work in the project is at least 60 percent of the total grant amount provided by the State and the district's matching share, less site acquisition costs. This certification forms the basis of the standard that the SFP Audit Team uses to determine compliance with this requirement.

The reasons we are seeing for projects not meeting the 60 percent commensurate requirement are numerous, but recent reviews indicate that in some instances there was a good bid climate, or deductive change orders may have brought the amount spent on construction below the 60 percent threshold. The district is still able to meet the 60 percent commensurate requirements by increasing the construction expenditures for the project approved by the State Allocation Board, through small construction contracts that meet the public contract code requirements and purchase orders. The expenditures must be eligible construction costs such as, but not limited to, building costs, general site, service site, offsite, utility, and interim housing. Be careful that the building area does not increase and the function of a project does not change as this would be a problem area that could lead to an audit exception.

To help meet the 60 percent commensurate requirement on future projects, the construction portion of the project should range between 60 and 80 percent of the total grant as a general rule of thumb. Soft costs such as architect fees, plan check fees, construction testing, inspections, etc., should range between 15 and 20 percent of the total grant for modernization projects, and between 20 and 25 percent for new construction projects. To learn more about estimated project budgets and soft costs, please view the article entitled *Consultant Fees in the School Facility Program* which appeared in last month's OPSC's *Advisory Actions 2003* (Issue Number 04).

For more specific information on this and other legal requirements certified as being completed by the district or project architect, please refer to the Forms SAB 50-04, *Application for Funding*, and SAB 50-05, *Fund Release Authorization*.

If you have any questions or desire further clarification, please contact Noé Valadez at 916.322.7628 for assistance.

Summer's Here...

Energy conservation is always important to address; however, Summer time creates special challenges. Here are a few simple but effective steps that can be taken immediately to reduce demand and cut those utility related expenses:

- ▶ Turn off all unnecessary lights, especially in unused offices and conference rooms and turn down remaining lighting levels where possible.
- ▶ Set computers, monitors, printers, copiers and other business equipment to their energy-saving feature, and turn them off at the end of the day.
- ▶ Minimize energy usage during peak demand hours from 5:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m.

In addition if you are planning a new construction or modernization project, you may consider applying for the special energy funds available under the School Facility Program, as well as incorporate energy efficient products, such

Energy Star appliances and lighting into the design of the new facilities. Schools constructed with energy-efficient design will cost significantly less to operate and ensure continuous savings.

For information about accessing new construction and modernization energy funds, please visit the OPSC Web site at www.opsc.dgs.ca.gov. For up-to-the-minute information on energy conservation as well as information alerts, please visit the Department of General Services Energy Web site at www.energy.dgs.ca.gov.



Share Positive Results with your Community with the...

“Build California” Logo

By Valerie Lane, Project Manager

The “Build California” initiative is an important and comprehensive plan of the Governor of California to greatly accelerate school construction and allocate the flow of \$13.5 billion of the education bond, approved by the voters in November 2002. As you know, the bond will generate many new schools and classrooms as well as modernize existing school facilities.

In recognition of these positive results for our children in our communities, the Office of Public School Construction (OPSC) is requesting districts with projects funded with Proposition 47 to place a sign in front of the school site during construction through its opening. We encourage districts to consider including the following:

- ▶ This construction (modernization) project was funded by the State Allocation Board from Proposition 47 State Bond funds as part of the Build California Initiative.
- ▶ Acknowledgement of the district’s contributing local funds.
- ▶ The “Build California” graphic logo, as illustrated in this article.

The sign and logo will help communicate how your district together with the State is producing positive results for your community. The raising of awareness is likely to be helpful and important for the districts as they prepare for the March/November 2004 State Bonds, as well as any local bond initiatives the districts are pursuing.

To obtain the Build California logo for incorporation into your sign, you may download the logo at www.documents.dgs.ca.gov/opsc/whatsnew/build_ca.zip, or call the OPSC for assistance. If you have any questions, please feel free to contact your OPSC Project Manager.



Funds Released from Proposition 47

PROGRAM	APPORTIONED	RELEASED/CONTRACTED	APPORTIONMENT BALANCE
New Construction	\$ 3,853,763,773	\$ 2,787,845,688	\$ 1,065,918,085
Modernization	2,893,113,549	1,253,309,618	1,639,803,931
Charter School	0	0	0
Energy	953,175	110,666	842,509
Critically Overcrowded Schools	0	0	0
Joint Use	0	0	0
TOTAL	\$ 6,747,830,497	\$ 4,041,265,972	\$ 2,706,564,525

Alert!

Shortened Review Period

By Lori Morgan, OPSC Manager

LPP and SFP Joint Use

Districts that filed for Lease-Purchase and School Facility Programs (SFP) Joint Use will be processed for funding consideration at the July 23, 2003 State Allocation Board (SAB) meeting. Due to the filing timelines and when the law specifies the funding will occur, the OPSC is requesting your assistance in providing a quick response to inquiries and regarding review letters regarding your application.

Please be on the look out for these letters and respond promptly to the request to ensure your application is ready to compete for funding at the July SAB meeting.

COS Program

Additionally, districts that filed for the Critically Overcrowded School (COS) Program will be processed for consideration of funding at the SAB's August 27, 2003 meeting. Please carefully take note of the response time indicated in your COS review letters. A prompt response will ensure your application is ready for possible funding at the August SAB meeting.

If you have any questions, please contact your OPSC Project Manager, or Nikki Yee, Application Review Team Supervisor, at 916.323.7314.

Have we been to see you recently?...

District Outreach

By Lauri Lathrop, Project Manager

The Office of Public School Construction (OPSC) is providing outreach service to districts across the State. Our goal is to work with all school districts and offer personalized resources to familiarize them with the different programs administered by the OPSC.

The OPSC provides hands-on assistance to districts during our visits. Have we been out to your district recently? As your district's conditions and facility needs change, we are happy to come out again to help you with eligibility updates, additional projects, and share new opportunities available in the SFP. The OPSC would be delighted to tailor your appointment to your needs.

If you would like more information on the programs administered by the OPSC or to arrange a personalized one-on-one site visit, please feel free to either call your OPSC Project Manager or our Outreach Coordinators; Steven Paul, Region 6 Supervisor, and Lauri Lathrop, Project Manager. You may contact Lauri Lathrop at 916.322.7867 or via e-mail at llathrop@dgs.ca.gov. For those that are new to our programs, please visit the OPSC Web site at www.opsc.dgs.ca.gov to view the OPSC Project Manager listing.

Regional Occupational Center Facilities Report

By Christine Sanchez, Project Manager Assistant

It's that time again for School Districts and County Offices of Education (COE) governing boards to report the types of facilities utilized for regional occupational center or program(s). The Office of Public School Construction (OPSC) has mailed a reminder letter and the SAB Form 406R, Regional Occupational Center/Program Facilities Report to districts and COEs which is due back to OPSC no later than September 1, 2003. Due triennially, governing boards must report on the facilities utilized for the operation of a regional occupational center or program per Education Code Section 17285(d).

The new SAB Form 406R may be accessed on the OPSC Web site at www.opsc.dgs.ca.gov.

If you have any questions, please contact Ms. Christine Sanchez at 916.322.0328.

Status of Funds

PROGRAM	BALANCE AVAILABLE AS OF MAY 28, 2003
PROPOSITION 47	
New Construction	
New Construction	\$ 2,374.2
Charter School	97.5
Energy	14.2
Modernization	
Modernization	400.9
Energy	5.0
Critically Overcrowded Schools	1,700.0
Joint Use	50.0
TOTAL PROPOSITION 47	\$ 4,641.8
PRIOR BOND FUNDS	
Contingency Reserve	32.3
AB 191	0.2
Prior Bond Funds Subtotal	\$ 32.5
TOTAL PROPOSITION 47 AND PRIOR BOND FUNDS	\$ 4,674.3

- Notes:
1. Amounts shown above are in millions of dollars.
 2. Amounts shown above in red and parentheses () are negative amounts.
 3. The SAB funded \$238,644.73 for the Deferred Maintenance Program.

May 28, 2003

Construction Cost Indices

INDEX	RATE
Class "B" Buildings	1.46
Class "D" Buildings	1.46
Furniture and Equipment	1.42
Historical Savings Index	8.25

- Index Definitions**
- Class "B" Buildings:** Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.
- Class "D" Buildings:** Constructed primarily of wood.
- Furniture and Equipment:** An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.
- Historical Savings Index:** An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.